



Why Now & How Vietnam Can Decouple from Global Markets

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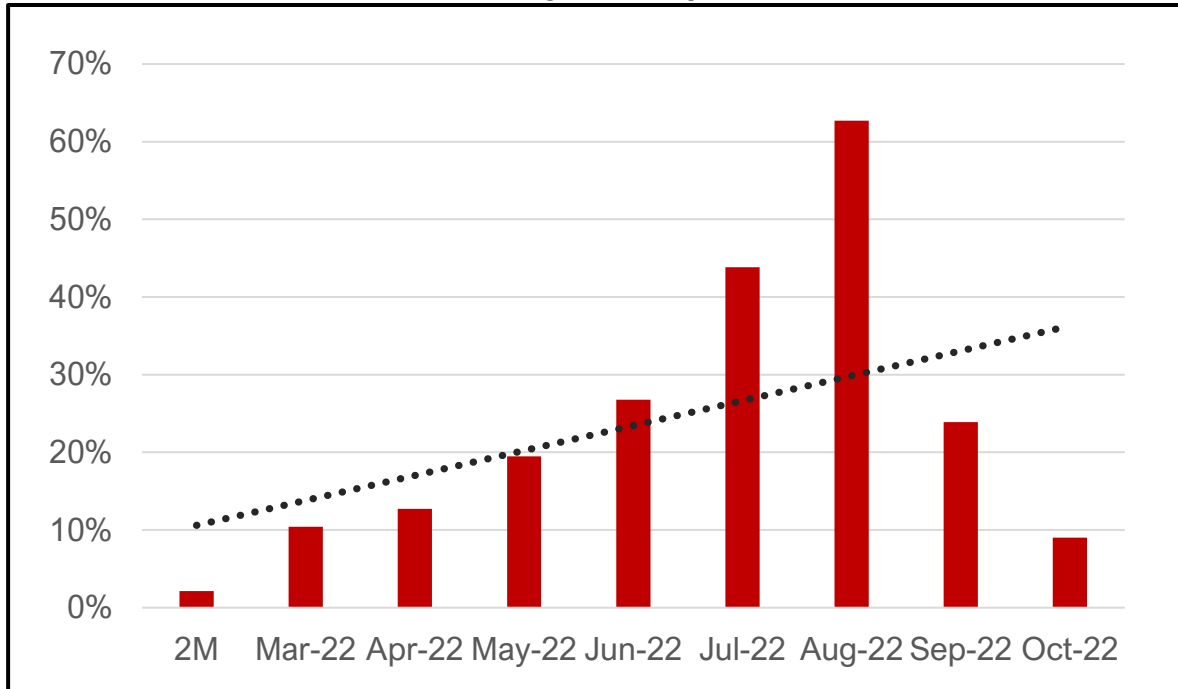
Vietnam's GDP Growth: 8.0% in 2022F, 5.5% in 2023F

	9M22 Growth	2022F Growth	2023F Growth	Pre-COVID Average*
GDP	+8.8%	+8.0%	+5.5%	+7.0%
Real Retail Sales	+16.8%	+15.0%	+7.0%	+9.0%
Manufacturing	+10.7%	+9.8%	+6.0%	+12.0%
Construction	+8.6%	+7.0%	+16.0%	+10.0%

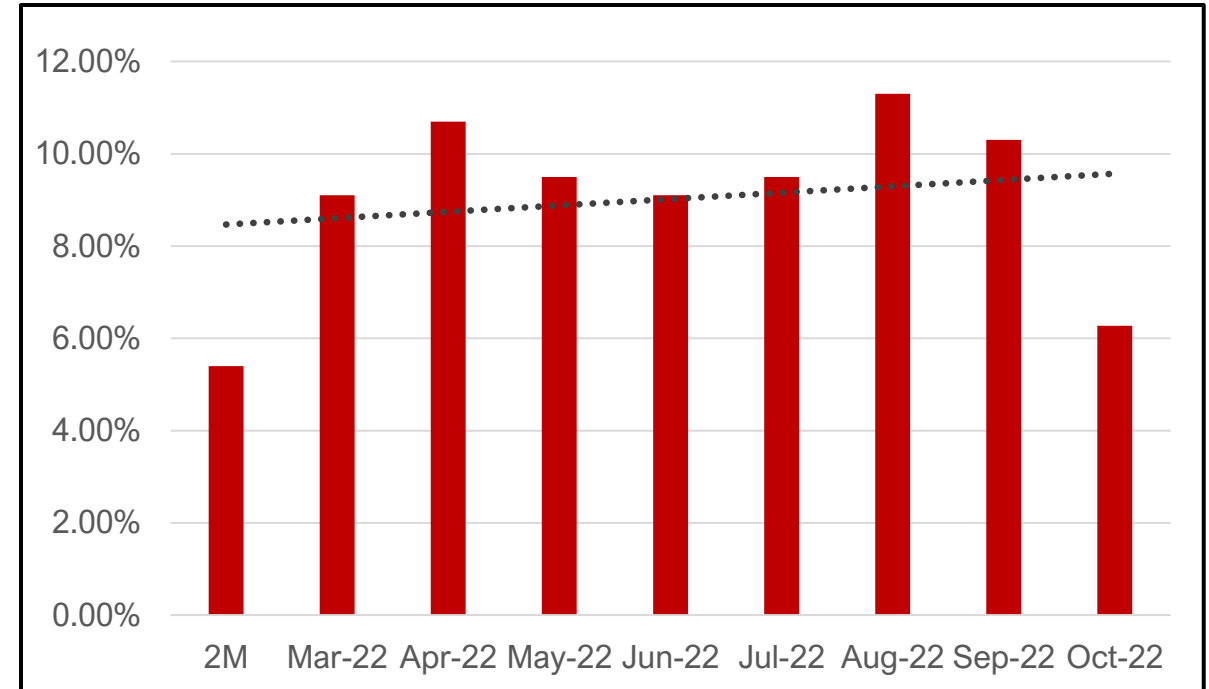
*Average Over 2015 - 2019

Vietnam's GDP Growth – resiliency post pandemic & short-term headwinds

Retail Sales growth (yoy): 10M22 +16.1% (inflation adjusted)



Production growth (yoy): 10M22 +9.0%

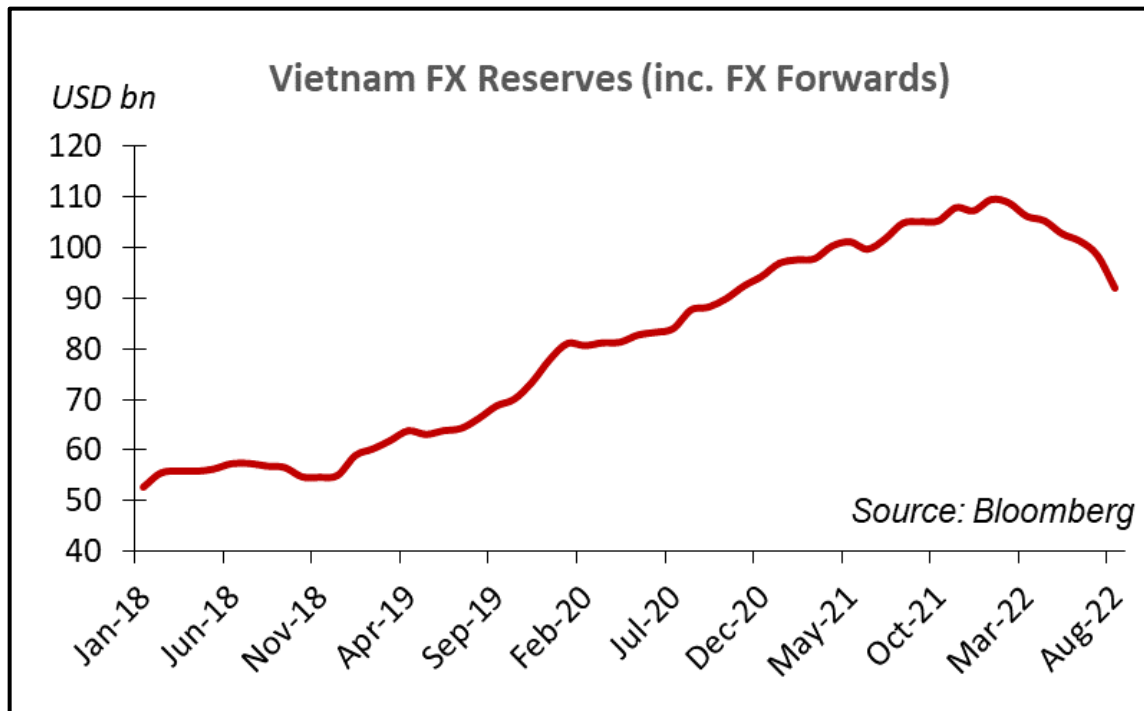


- Vietnam's **Household Balance Sheets** are in Good Shape
- Vietnam's Consumer Debt-to-GDP Ratio: ~20%/GDP

- The Movement of Factories from China to Vietnam is Supporting Vietnam's Manufacturing Sector
- FDI Inflows are +16% this Year, to 5% of GDP

Vietnam Hiked Policy Rates to Protect the VN Dong

Vietnam FX Reserves



Peer Comparison: FX Rates and Policy Rate

	FX Rate Depreciation (YTD)	Inflation-Adjusted Policy Rate
Vietnam	-8.1%	+2.1%
Indonesia	-9.2%	-1.2%
Malaysia	-12.2%	-2.0%
Thailand	-11.2%	-5.4%
Philippines	-12.8%	-2.7%

Can Vietnam Decouple from the Global Slowdown?

Three Factors Contributing to Vietnam's Resilience:

1) Technological Advancement

Rising High-Tech FDI is Driving Vietnam's Economic Evolution

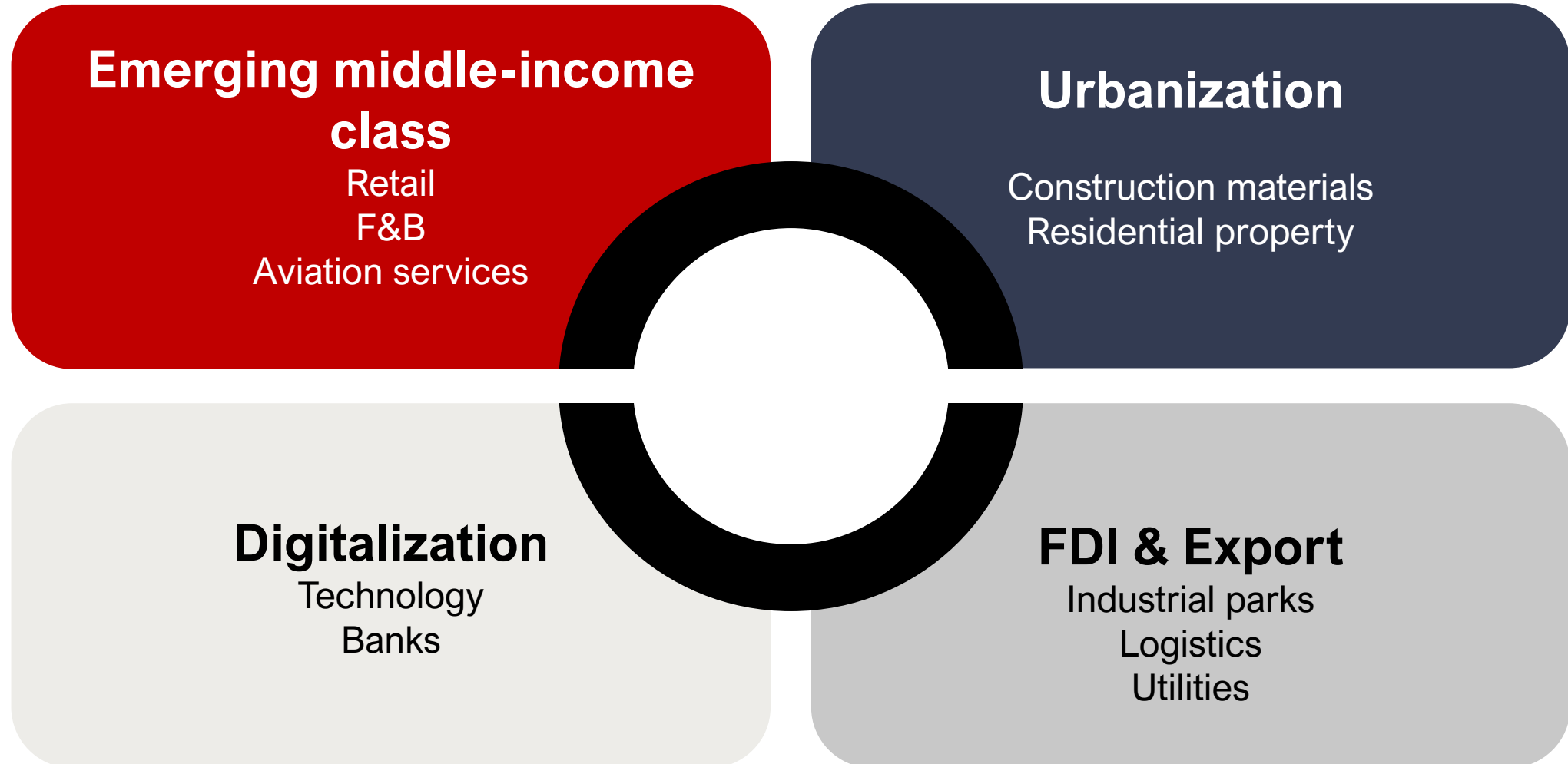
2) Geopolitical Positioning

Current Geopolitics Benefit Vietnam

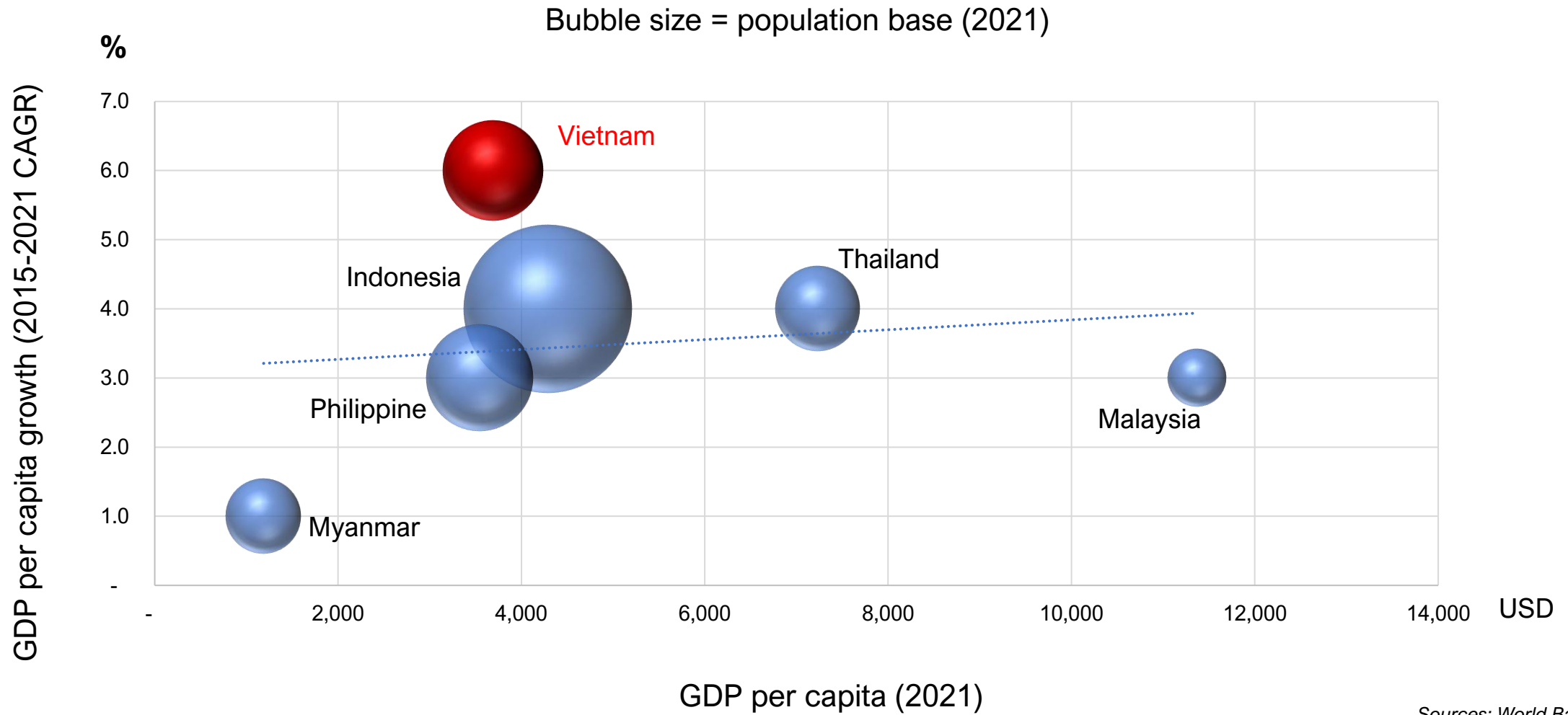
3) Strong Demographics

Vietnam's Unique Demographics & Urbanization are still Key Drivers

Investment Themes & Portfolio Positioning

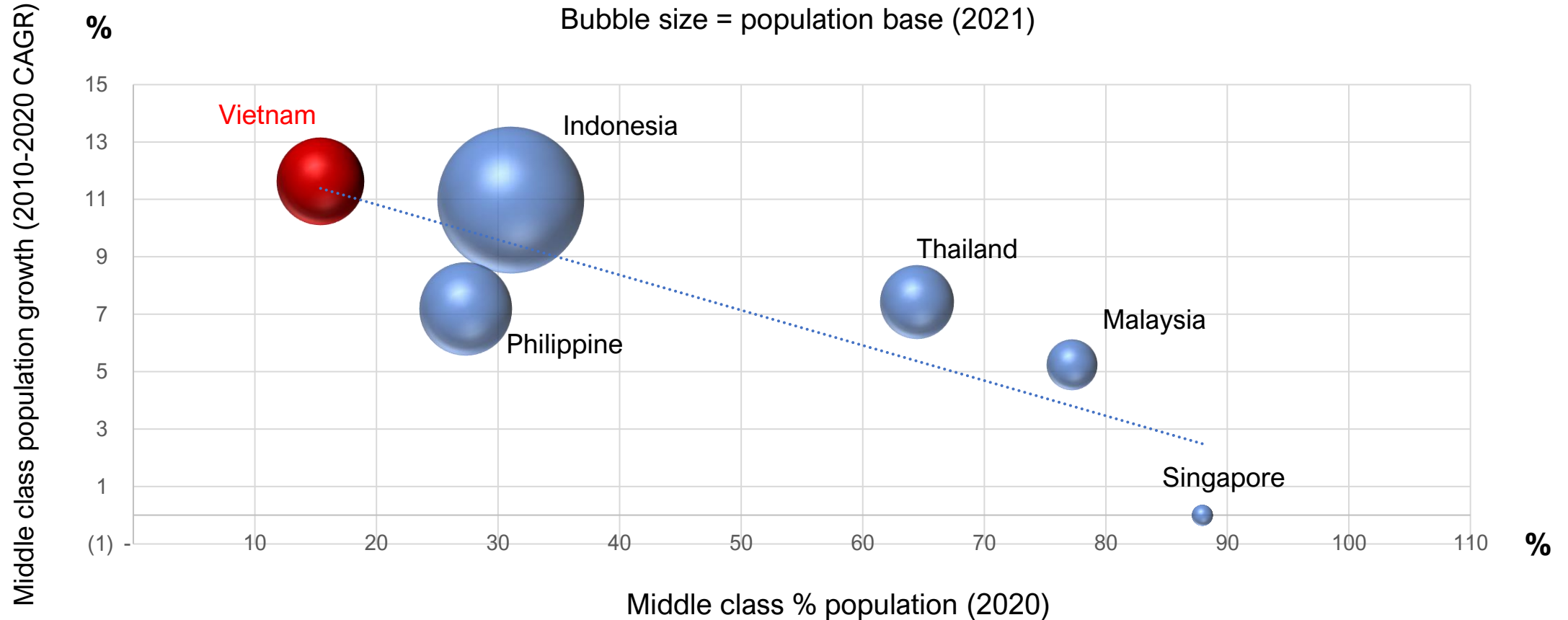


Theme #1: Vietnam's GDP per capita growth is "best-in-class" in South-East Asia



Sources: World Bank

Theme #1: Vietnam's fast-growing middle-class population as a growth engine of domestic consumption

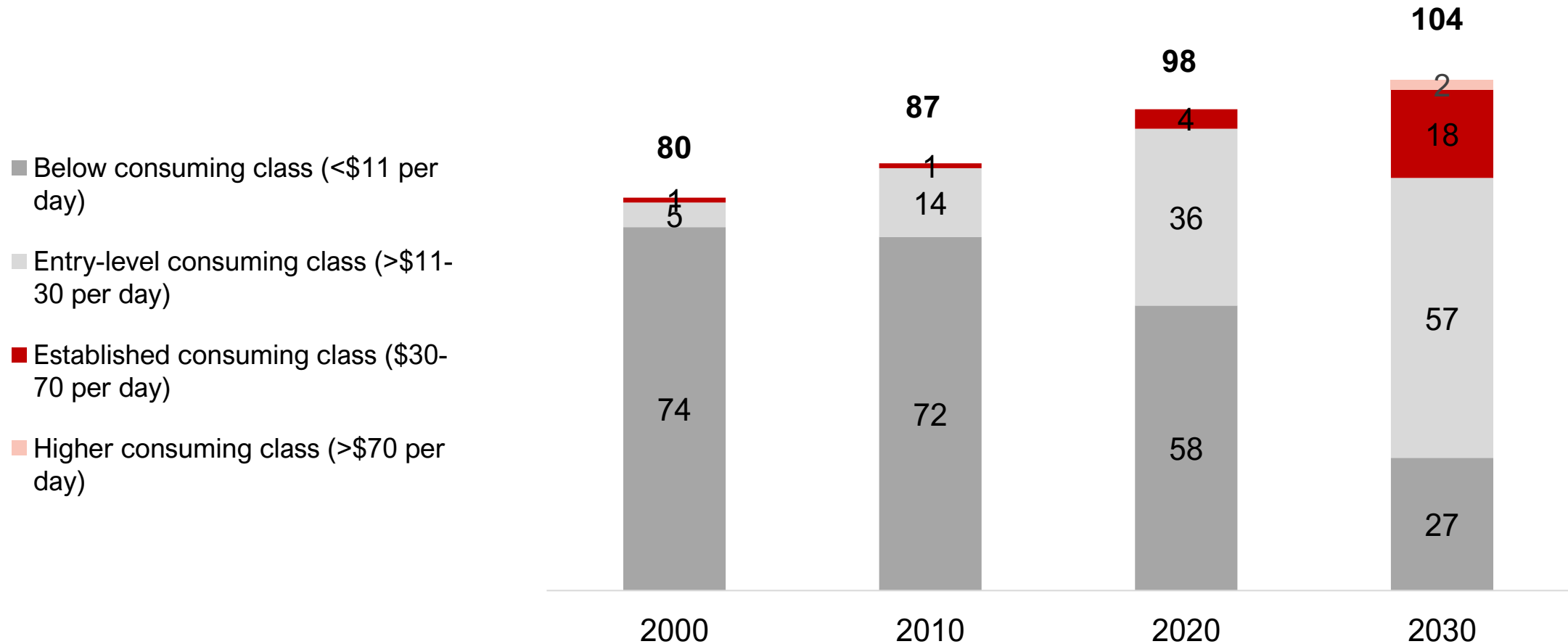


Note: The research by Statista defined middle class as household with incomes of USD10 to USD100 per day and capita, taking into account purchasing power

Sources: Statista, World Bank

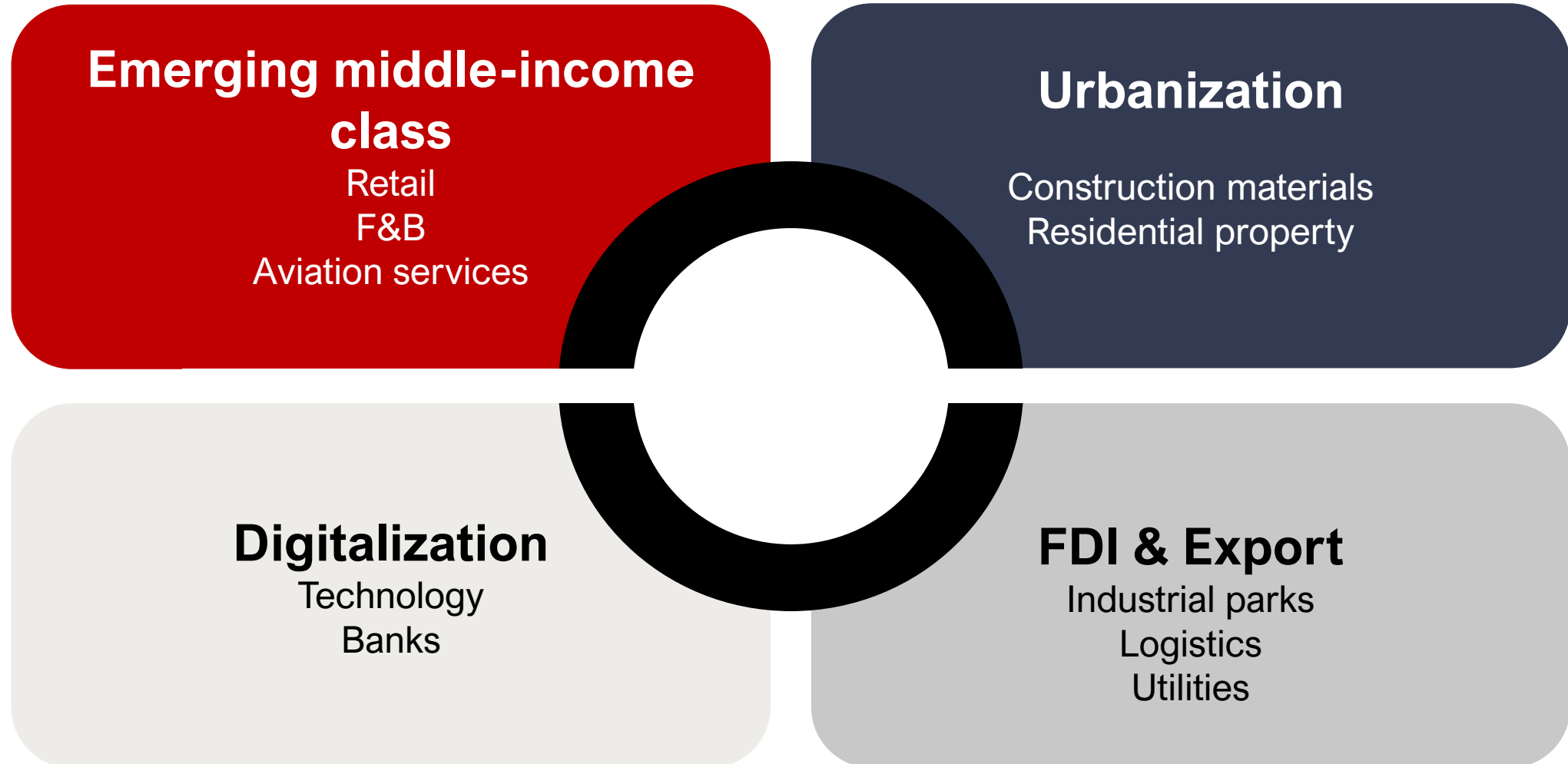
Theme #1: Vietnam could add 36 million people to the consuming class between 2020-2030, per McKinsey

Population by income group (daily spending), millions, 2011 purchasing power parity (PPP)

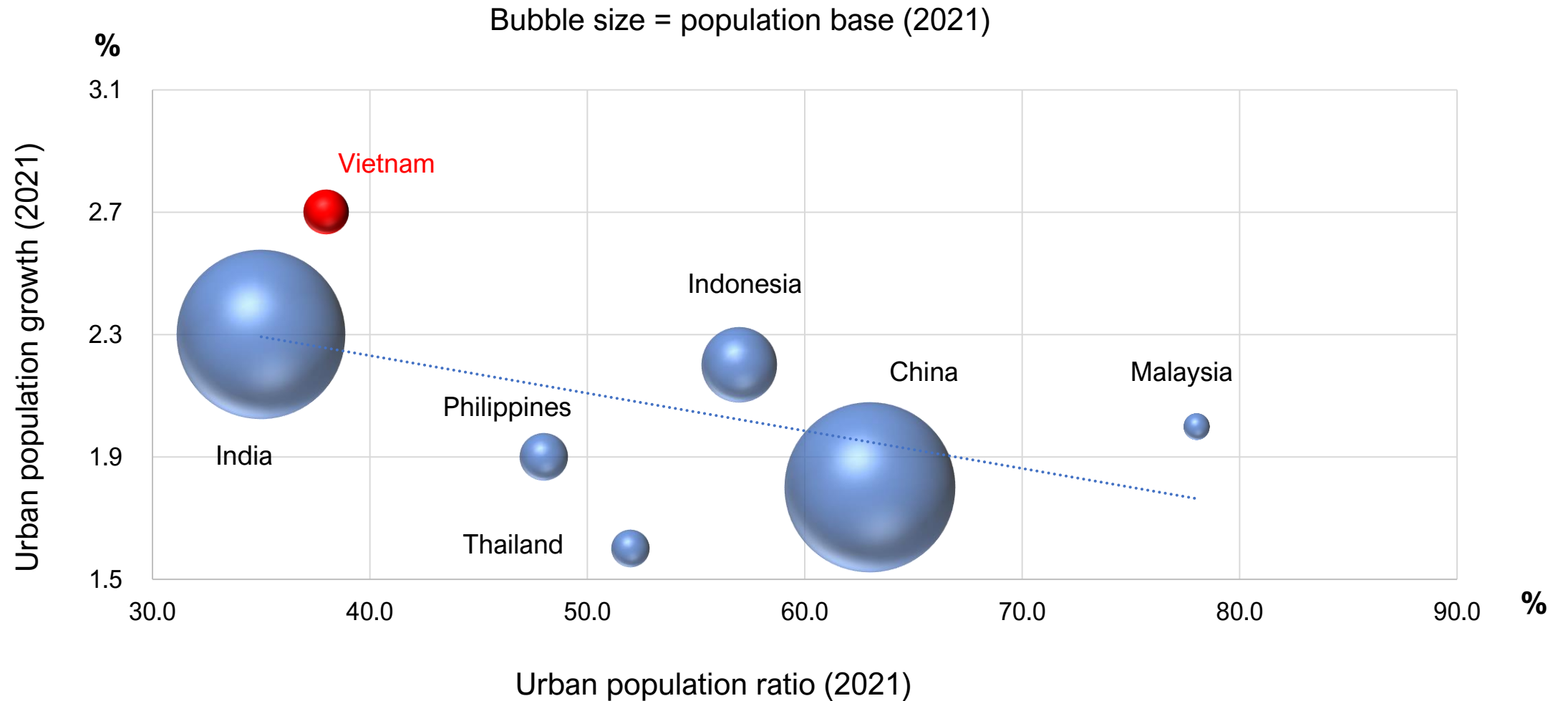


Sources: Marketpro by WorldDataLabs, Mckinsey Global Institute analysis

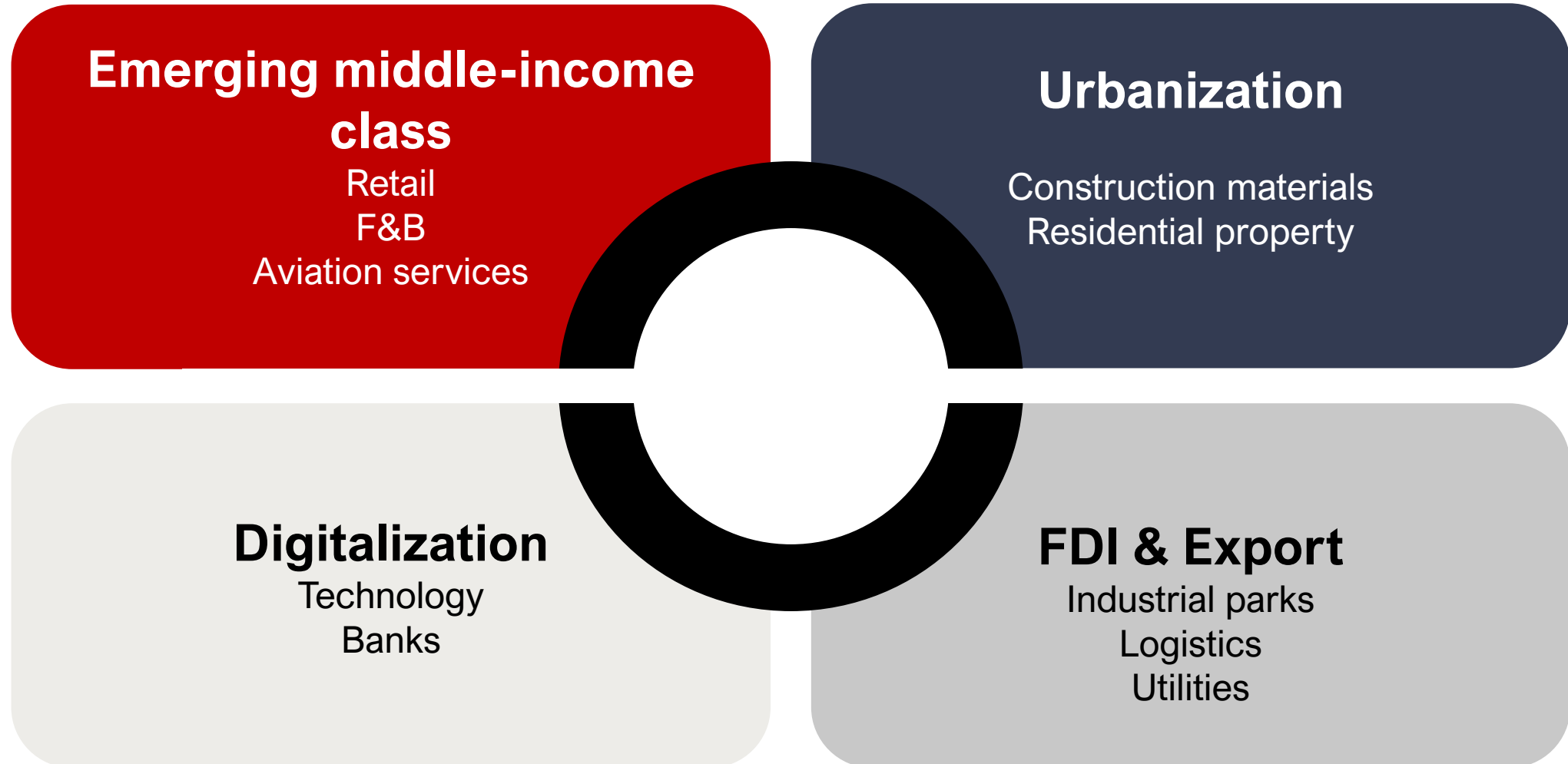
Investment Themes & Portfolio Positioning



Theme #2: Urbanization – Fastest growth among Asian populous EMs

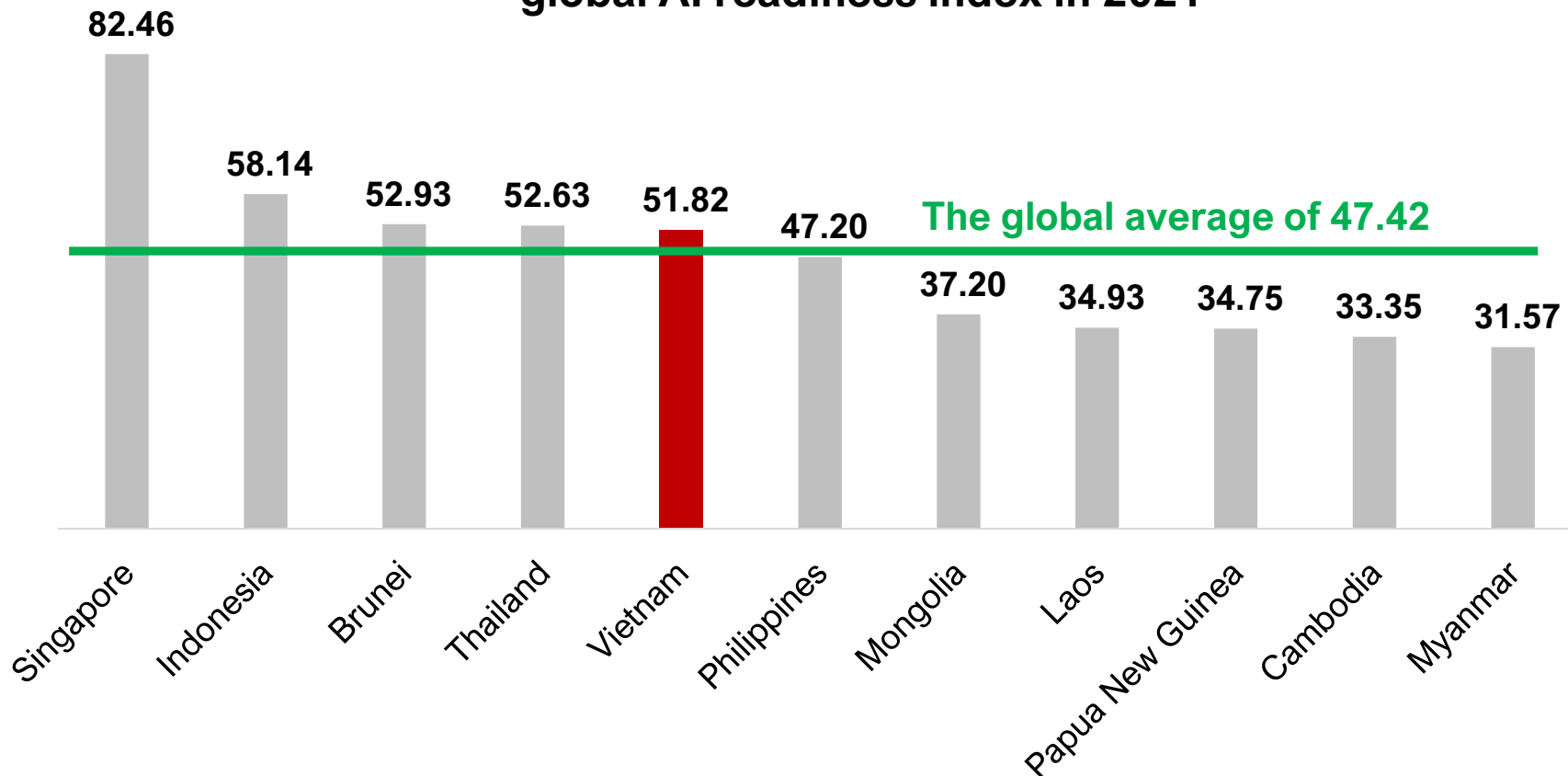


Investment Themes & Portfolio Positioning



Theme #3: Digitalization, backed by AI development, is expected to boom in the medium-term

Vietnam is ranked above global average on the global AI readiness index in 2021

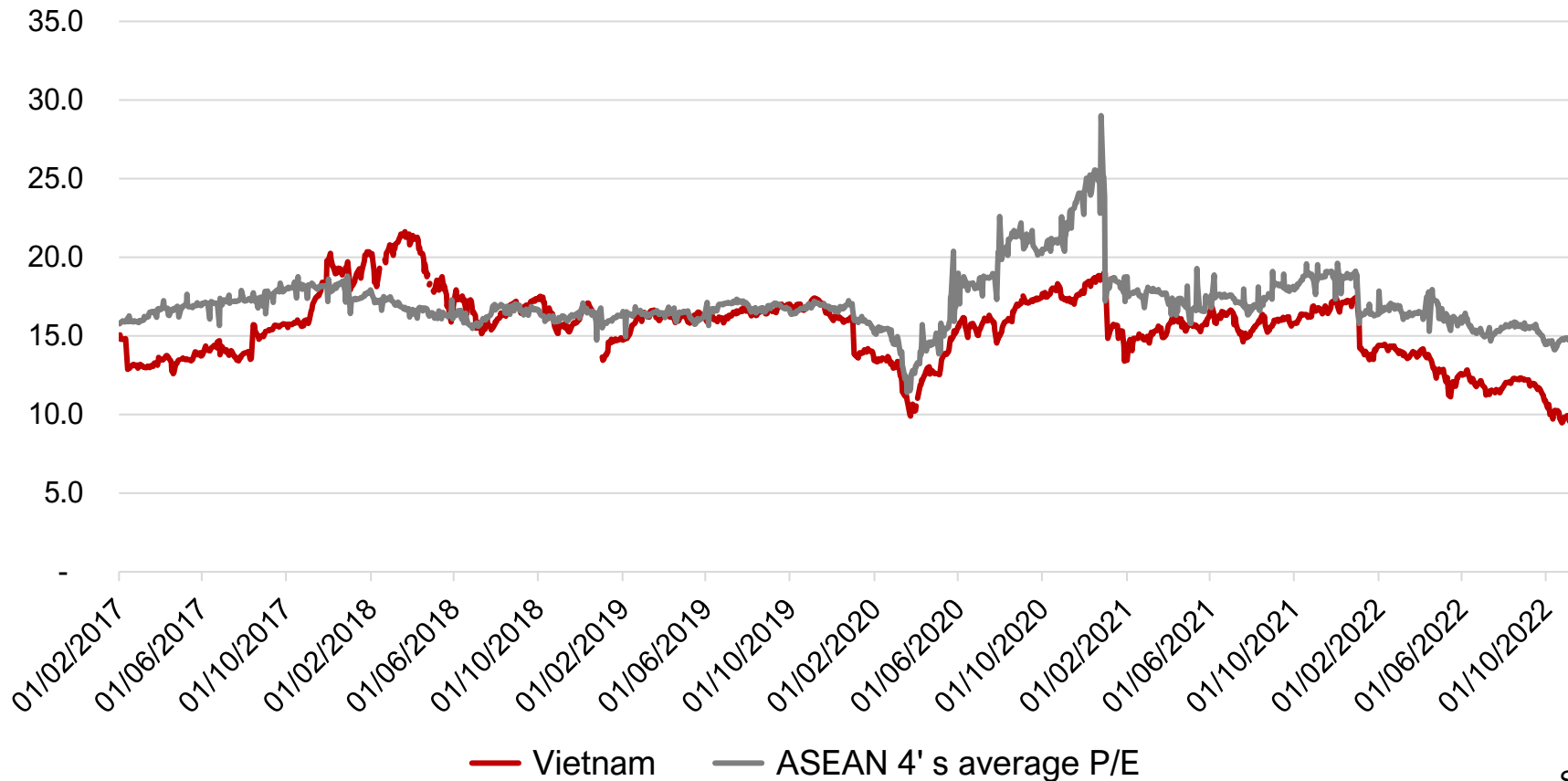


- Artificial intelligence is one of the core technologies in digital transformation that is helping businesses scale up.
- Vietnam's rank in terms of AI development is above the global average, according to Oxford Insights and International Development Research Centre (IDRC).

Source: Global AI Readiness Report 2021, in collaboration between Oxford Insights and International Development Research Centre (IDRC)

As of November 2022, Vietnam's valuation is at 30-35% discount compared to regional peers

Forward P/E of Vietnam and regional peers



Forward P/E of ASEAN countries as of November 8, 2022:

- Vietnam 9.5x
- Thailand 15.5x
- Indonesia 14.9x
- Philippines 15.0x
- Malaysia 14.1x

Source: Bloomberg

Active Management Leads to Long-Term Outperformance

In USD	YTD (Oct 31 st)	2021	3Y Annualized	2023 ROE	2023 P/E	2023 EPS Growth	Active Share
VVF	-25.4%	49.5%	9.1%	22.8%	8.0x	19.9%	72.7%
VAF	-27.0%	55.4%	9.0%	20.7%	7.0x	28.8%	87.1%
VNIndex	-36.9%	37.3%	-1.3%	18.8%	8.4x	17.9%	

In VND	YTD (Oct 31 st)	2021	3Y Annualized	2023 ROE	2023 P/E	2023 EPS Growth	Active Share
VEOF	-21.7%	56.5%	10.6%	23.6%	8.5x	36.6%	64.3%
VESAF	-22.9%	67.0%	15.6%	21.0%	6.8x	28.9%	87.1%
VNIndex	-31.4%	35.7%	1.0%	18.8%	8.4x	17.8%	